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T[illegible]nd How of a $200,000 Industrial Development Fund for Madison

The Four-Lake City

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THE WHY AND HOW

of a

$200,000 Industrial Development Fund

for

MADISON

The Four-Lake City

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BOARD OF COMMERCE
Madison, Wisconsin

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Madison Board of Commerce.

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Relation of Industry to Local Business

The wealth and prosperity of any city depend primarily upon the amount of money which is brought into that city and placed in circulation through its regular channels of trade. In the present day organization of society no community is self-supporting. Each day thousands of dollars are sent out to other cities to buy the necessary commodities which are not grown or manufactured at home. To even keep pace with the world, a city must have means of bringing in an equal amount, that it may not become a bankrupt and poverty-stricken community. Its prosperity depends on the surplus of the money brought in over that which it must send out. The little country town depends solely on the money spent in it by the farmers of the surrounding country. The city must look to its industries to bring in money to maintain its "balance in trade." Madison is favored in having the state capitol and university, through which a part of the taxes of the state are brought into and spent in Madison. The thousands of students at the University also contribute considerable to the local channels of trade. But, if Madison is to be more than a quiet, peaceful little capital and university city, if it is even to hold its own among the other cities of the state and nation, it must look to its industrial development to bring about any marked increase in its wealth and prosperity.

Necessity for Organized Effort

Cities that are to hold their own must organize to fight as a unit in the struggle for industrial existence and all that that existence means. No longer can they hang back and trust to the initiative and enterprise of their individual citizens to enable them to keep pace with the progress made by other cities, where organized, enthusiastic community effort is put forth. Competition between individuals has extended to cities and nations. Birmingham hopes to rival Pittsburgh in the iron and steel trade; Atlanta and Columbia dream of outstripping Lawrence and Fall River in cotton weaving. Nation competes with nation for the world's markets.

The business and professional men of Madison must organize to do their part in fostering industrial enterprise if they would reap their share of the resulting prosperity. Every dollar spent in

Madison by a local industry for labor or material goes through the regular channels of trade and every business man gets his share,—the butcher, the baker, the candlestick maker, the doctor, the lawyer,—and even the undertaker—will get his inning after while. Every industry added to the city benefits the whole community and should, therefore, be considered as a community enterprise and receive the united support of the community.

Capital Is Needed

To increase the industrial activities of Madison, capital must be invested. Roughly speaking, it requires an investment of one dollar in capital for every dollar that is brought into a city annually by its industries. If we would increase our income from industries, we must be prepared to secure the needed foundation in the way of capital to finance them. If we wait for our present industries to grow out of profits, we are going to condemn them to a slow growth, whereas a few dollars of additional capital invested at the right time will enable us to reap earlier the results of their growth and prosperity. A little financial assistance given a concern which has a chance to expand, results in increased opportunity for everyone in Madison and is one way in which Madison can secure a large increase in its business activities.

New industries cannot be secured by merely telling them that we would like to have them come. Madison must offer some inducements whereby they can operate to better advantage here than in their present locations. The experience of the Industrial Committee during the past eighteen months has shown that, in the great majority of cases, many concerns that are worth while and that can be obtained for Madison, are those which need additional financial backing to enable them to enjoy the profitable business that is already in sight.

Every industry that would be brought to Madison would bring with it its invested capital and its workmen. A few dollars invested by Madison would bring many more into the city, and it all would be set to work for the prosperity of the city. By filling up the vacant factory sites and home sites and developing new ones the city would become busier and bigger and every line of activity in the city would reap a proportionate share of the increase. The only way in which this can be accomplished is for the people of Madison to demonstrate that they are united in a substantial way to encourage legitimate industry.

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How Madison Stands Today

Those citizens of Madison who have been most actively identified with the Board of Commerce in its efforts to build a Bigger, Better, and Busier Madison have become convinced that the time is at hand for the citizens of Madison to organize, in a substantial way, to secure the industrial progress and growth which is naturally their due. A brief survey of the present situation reveals the following facts:

According to the 1910 census report, Madison industrial statistics show

Industries	116	
Total Capital	$5,460,210	
Annual Value of Products		$5,467,105
Annual Cost of Raw Material		2,225,045
Annual Value Added by Industries		$3,242,060

A certain percentage (impossible of determination) of the raw materials are bought in Madison and the value added by industries should be increased by this amount in order to arrive at the sum annually turned into local channels by Madison industries. A safe assumption is $3,500,000 in 1910. Allowing a fair rate of increase, this represents at the present time approximately $4,000,000 brought into and distributed annually in Madison by its industries. As a concrete example, actual data show a total combined payroll for three of the larger industries of $805,000 annually, distributed amongst 1020 employes.

The 1910 census gives Madison a population of 25,531 and 2,468 engaged in industry. Assuming a low average of only three in the family, we have 7,404 individuals, or between one-third and one-fourth of the total population, directly dependent upon the industries for their livelihood. If we add to this number those whose livelihood depends indirectly upon the business of these 7,404 we would probably find that almost, if not a full one-half of the citizens of Madison are dependent upon its industries.

As against this distribution of $4,000,000 by Madison's industries, it is reported that the University receives from the state and distributes about $1,500,000, to which should be added about $2,200,000 contributed by students, a total of $3,700,000. While Madison is fortunate in having this source of income, it is evident that she must look elsewhere for any material increase in her volume of trade. It would seem that no further demonstration is necessary of the advantages of an increase in Madison's industrial activities.

Any argument that Madison is not in good condition financially to promote a greater industrial

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development is refuted by the following comparison with other cities, in which effective plans along the lines suggested have been put into successful operation.

City	Population	Bank Deposits	
		Total	Per Capita
Madison, Wis.	25,531	$10,583,000	$414
Davenport, Ia.	43,028	26,688,000	620
Easton, Pa.	28,532	9,800,000	344
Haverhill, Mass.	50,000	19,766,000	495
Racine, Wis.	44,000	7,671,000	174
Scranton, Pa.	129,867	48,314,000	373
Sioux City, Ia.	47,828	17,649,000	370
Topeka, Kans.	50,000	10,760,000	215
Toledo, O.	168,497	55,800,000	495
Wilkes-Barre, Pa.	67,105	26,379,000	393
Williamsport, Pa.	31,860	11,157,000	350
Total	586,248	$244,567,000	*417

*Average.

What Must Be Done

It is now incumbent upon the business interests of Madison to form a substantial organization to assist worthy enterprises in establishing themselves in this city. Every dollar that such industries bring into the city will pass through the hands of the various business interests and each will get its share. We must invest money to *bring* business before we can *do* business. The merchant who places his money and credit back of the proposed Industrial Development Company is doing more for his own business than if he invested the same amount in his own establishment. A peanut stand in a hustling city is worth more than a department store in the middle of a desert. Let's make Madison a busy, hustling, industrial city, and it won't matter whether we have a peanut stand or a department store; there will be business for all.

The Spirit of Its Citizens Makes a City

No great city ever grew merely because of natural endowment. Many a place so favored by nature that it might have been a great city is still a country village because its citizens did not have faith and did not back what faith they had with their dollars. Many another city flourishes in what was once a desert, because its citizens saw a vision and threw their whole efforts into making that vision come true.

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Cities, like individuals, prosper only as they learn to help themselves.

Madison can become one of the greatest cities of the Northwest if her citizens will only see the vision, and, having seen it, will unite to bring about its fulfillment, with all that it means to them.

Confidence is contagious. Madison must show to the outside world that it has that confidence in its future which outsiders must have if they are to come here and invest their money in developing industries in Madison. If we show that we want industries and believe in the industrial future of Madison, the industries will come.

The Proposed Plan

The Board of Commerce has investigated the plans used in other cities where effective efforts along this line have been put into successful operation, and has developed the following

Credit Guarantee and Security Investment Plan

This involves the incorporation of an Industrial Development Company by a pledge principally of credit but partly of cash, on the part of the citizens of Madison to the extent of $200,000, evidenced by signatures to a subscription of stock on which initial cash payment will be required only to the extent of twenty-five (25) per cent of its par value.

Object

First, to provide a means of assisting home industries and inducing outside industries to come to Madison; and second, to do away with the old method of soliciting personal subscriptions to capital stock or bonds without sufficient investigation on the part of the investor.

This plan substitutes for this haphazard method a fund of credit and cash always available for immediate use for the legitimate assistance of concerns needing such assistance and provides the machinery in the shape of a board of experienced and competent men to make a thorough investigation, such as cannot be made ordinarily by the average investor.

How Administered

There will be: 1. A Board of Directors consisting of men experienced in business and finance.

2. Two or more Officers who will be authorized to sign and indorse for and to hold and control the funds of the Company.

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When an industry applies for assistance the method of procedure will be:

1. It will be thoroughly investigated by the Madison Board of Commerce through its Industrial Committee, particularly with respect to its product and its manufacturing and sales methods and organization, which Board of Commerce will report in writing to the Industrial Development Company.

2. An independent investigation, particularly with respect to its financial plan and responsibility will be made by the Board of Directors of the Development Company, and if favorable

3. The Officers will be requested in writing to give the needed assistance in the shape of indorsement of paper or purchase of stock or bonds. The Officers will act in accordance with the recommendation of the Board of Directors.

Cash Subscription

Twenty-five per cent of each stock subscription will be payable in cash in three installments thirty days apart, which will provide a fund to be used for the purchase of preferred stock, bonds, or other securities which could not be handled by the banks.

Safeguards

1. Ample restrictions will be adopted, limiting the assistance given any one industry and insuring a safe relation between the total resources of the Company and the total indorsement at any one time.

2. The double opportunity for investigation and analysis, first by the Board of Commerce and second by the Board of Directors of the Development Company, insures the worthiness of the enterprise and the safety of the investment.

3. Wherever possible notes, bonds or indorsements of paper will be secured by the assets of the industry and the probability of even a very nominal loss is quite remote.

4. The Development Company will be represented in the management of all industries assisted.

5. Frequent audits will be made to preclude the chance of continued and heavy loss.

Life of Guarantee

The life of the Development Company will be limited to five years, that is, no additional indorsements may be made after the expiration of that period, when all unsettled business will be closed up and liquidated as expeditiously as possible.

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Provisions for Death

The Industrial Development Company shall not extend or lend its credit to, or purchase the stock or securities of, or otherwise aid any person or corporation, unless such person or corporation shall, as a condition thereof, agree in writing that in the event of the death of a subscriber of this company, and the personal representative of such subscriber shall elect to have the estate relieved from further liability on the subscription, it will furnish a purchaser satisfactory to the Board of Directors of this company who shall purchase the stock and subscription rights of the deceased subscriber by assuming liability for the unpaid amount of such subscription.

Losses

In case of loss each stock holder will be liable for only such proportion of the loss as his stock bears to the total stock; in other words, there is no joint liability. For example, assuming a loss of $10,000, a subscriber to the extent of $1,000 of the total $200,000 would be liable for 1/200th of $10,000, or $50.00.

As a matter of fact, all of the cities following this plan report that *no losses of whatever nature* have so far been sustained.

Profits

Securities will be held until seasoned, that is, until the industry is established as a successful going concern, when they may be sold to the public with the recommendation (not the guarantee) of the Development Company.

In other cities these securities have frequently been sold at a profit.

Expense of Operation

It is provided that the Officers and Directors will give their services without remuneration.

Other expenses will be met by dividends or interest on securities purchased and small brokerage fees charged for the assistance rendered.

Results Accomplished by Similar Plans in Other Cities

Scranton, Pennsylvania. Population 145,000.

Has a $1,000,000 Industrial Development Company. In less than two years has brought in industries employing 1,000 persons, 857 of which are men, and has saved to Scranton two local plants, otherwise lost, employing 300 persons.

Sioux City, Iowa. Population 47,828.

Has a guarantee fund of $835,000, which in one year brought in nine new factories and three job-

bing houses, two of these industries building new factories, the balance occupying property which had been vacant. The owners and officers alone of these industries are renting thirty-five houses and several have bought homes.

Racine, Wisconsin. Population 45,000.

Has an industrial housing plant of some thirty-two buildings of from one to five stories in height, with a combined floor space of 626,242 square feet, with side tracks, lumber storage, power and heating plant, fire protection, elevator service, etc., which houses about fifteen industries at nominal rental.

Haverhill, Massachusetts. Population 50,000.

In 1902 three large mill-constructed factories were erected containing 250,000 square feet of floor space. "The Building Association has always paid 6% dividends upon the stock which now sells at 120, has a surplus of $20,000 and has paid $20,000 on the mortgage. This venture has been so successful that private capital has since built at least one eight-story building each year since, all of which have been readily rented."

The results as reported by the Haverhill Board of Trade are:

"The added employment of 4,000 people, earning $2,000,000 annually.

An increased output of $6,000,000 to $8,000,000 annually.

The building of housing facilities for 12,000 to 15,000 people.

An enhanced real estate value.

More money in general circulation with new stores, theatres and an increased retail trade.

An increased confidence in the city and its future that cannot be estimated."

Toledo, Ohio. Population 168,497.

Has an industrial development plant of four large modern four-story buildings with all improvements, which has proved a very successful means of bringing in and developing new industries.

Davenport, Iowa. Population 43,028.

Has an Industrial Investment Company capitalized at $300,000 subscribed by citizens and business houses for the purchase outright of the bonds or preferred stock of concerns needing assistance.

In one case of a concern with $150,000—7% preferred and $150,000 common stock—the Development Company bought $75,000 of the preferred and in two weeks sold it to the public, the

Development Company's recommendation alone insuring a market.

The Commercial Club reports: "The plan has been in operation a little over two years, during which time about $1,000,000 in outside capital has been brought in, providing places for more than 1,000 employes."

Easton, Pennsylvania. Population 28,532.

The Secretary of the Board of Trade writes: "We have just closed five years of this Guarantee Fund in which the guarantee was $601,000. We have loaned, at one time, as high as $375,000 by virtue of this, through the banks. The aggregate amount of loans and their renewals have, in five years, reached the enormous sum of $3,000,000, and we have not had a loss of a company in *either principal* or *interest.* This plan has brought us in the last five years about eight factories. * * * . One of the concerns expects to pay off $50,000 of their loan in the next sixty days."

Williamsport, Pennsylvania. Population 31,860.

The Manager of the Board of Trade states: "The plan has worked admirably in Williamsport, and that everybody is satisfied with the results achieved is evidenced conclusively by the fact that after five years' experience with a first fund of $215,000, the members of the Board of Trade subscribed to a second fund of $461,000, which contract expired December 5, 1910, and our citizens have again shown their confidence in the plan, and their satisfaction with the experience had with same, by subscribing to a third fund for a total of $500,000 to be used during the five years extending from December, 1910, to December, 1915."

Wilkes-Barre, Pennsylvania. Population 67,105.

The Secretary of the Chamber of Commerce writes: "The plan has been in operation for two years and has worked out well. One local industry has been enlarged, giving employment to about fifty hands, and another one which employs one hundred or more was tided over a bad financial situation. We have had many other applications for loans but most of these have failed in meeting our rather strict requirements."

Topeka, Kansas. Population 50,000.

Has a $250,000 credit guarantee fund. The Secretary of the Commercial Club reports: "Our industrial plan has been in operation about two and a half years. In that time we have enabled two new concerns, though small, to locate in the city * * *. We have been instrumental through

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the fund in keeping three other concerns in operation by extending them the necessary credit to keep their business going and help them through the rough places. There is no question about the practicability of the Credit Industrial Plan if the intention for which the fund is created is faithfully carried out by those in control."

Articles of Organization

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, adult residents of the State of Wisconsin, do hereby make, sign and agree to the following articles of organization:

ARTICLE I.

The undersigned have associated, and do hereby associate themselves together, for the purpose of forming a corporation under Chapter 86 of the Wisconsin Statutes of 1898, and Acts amendatory thereof and supplemental thereto, the business and purposes of which corporation shall be:

To further and promote the general business interests of the city of Madison, Dane County, Wisconsin, and to improve, extend and place upon a safe and more permanent foundation the manufacturing interests of said city, and to locate, build, encourage and establish manufactories and manufacturing establishments in and adjacent to said city. To that end this corporation shall have power,—(a) to indorse or otherwise give credit to and to aid in discounting or selling the commercial paper, bonds, debentures or securities of such industrial concerns now located or which may hereafter locate in or adjacent to said city, as this corporation under its by-laws and rules shall decide to assist financially in the establishment or operation of industrial plants; (b) to loan money to such industrial concerns on security, or otherwise, upon such terms as may be arranged, and to acquire and deal in the personal property thereof, particularly mortgages, debentures, securities, corporate stock, bonds and commercial paper; (c) to subscribe, purchase or otherwise acquire and hold shares of stock, debentures, securities or other interest in any such assisted business enterprises, including corporations, and while such owner to exercise all rights, powers and privileges of such ownership; (d) to examine by experts, or otherwise, the physical and financial condition of any business or reorganized business ventures assisted or in contemplation of assistance by making examinations into the accounts, prospects,

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physical and financial condition thereof, and to systematize and direct or give directions for the systematizing and managing of any assisted business; (e) to take part in the management, supervision or control of any business or operations of any assisted company, firm or corporation and for that purpose to appoint and remunerate directors or other representatives; (f) to acquire, hold and dispose of real and personal property; (g) to guarantee the bonds, commercial paper, contracts or other obligations of any industrial concern in which this corporation has an interest or is financially assisting; and (h) generally to aid in any lawful manner such industries, and to do all legal acts and things designed for the preservation, protection, improvement, development or enhancement of the value thereof, or of its stock, bonds, securities, commercial paper, contracts or other obligations, which said business is to be carried on within the State of Wisconsin and especially within the County of Dane in said State.

ARTICLE II.

The name of said corporation shall be the Madison Industrial Development Company, and its location shall be in the city of Madison, Wisconsin.

ARTICLE III.

The capital stock of said company shall be ----------Thousand Dollars ($------) and the same shall consist of----------thousand (------) shares, each of which said shares shall be of the face or par value of One Hundred Dollars ($100.00).

ARTICLE IV.

The general officers of said corporation shall be a president, vice-president, secretary and treasurer, and the Board of Directors shall consist of nine stockholders, three of said directors to be elected for one year, three for two years, and three for three years, and thereafter three directors shall be elected each year for the term of three years.

ARTICLE V.

The principal duties of the president shall be to preside at all meetings of the Board of Directors and to have a general supervision of the affairs of the corporation; to sign all instruments or indorsements on behalf of the corporation.

The principal duties of the vice-president shall be to discharge the duties of the president in

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the event of the absence or disability for any cause whatever of the latter.

The principal duties of the secretary shall be to countersign all instruments or indorsements executed by the corporation, to affix the corporate seal to all papers or instruments as shall be required or directed to be sealed, to properly record the proceedings of the Board of Directors and of the stockholders, and to safely and systematically keep all books, papers, records and documents belonging to the corporation or in any wise pertaining to the business thereof.

The principal duties of the treasurer shall be to keep and account for all moneys, credits and property of any and every nature of the corporation which shall come into his hands and to keep an accurate account of the moneys received and disbursed and proper vouchers for moneys disbursed, and to render such accounts, statements and inventories of moneys received and disbursed, and of money and property on hand, and generally of all matters pertaining to his office, as shall be required by the Board of Directors.

The Board of Directors may provide for the appointment of such additional officers as they may deem for the best interests of the corporation.

And said officers shall perform such additional or different duties as shall from time to time be imposed or required by the Board of Directors, or as may be prescribed from time to time by the by-laws.

ARTICLE VI.

Only persons owning stock according to the regulations of the corporation shall be members of it.

ARTICLE VII.

If any stockholder shall die before his stock is fully paid, this company may by agreement to be noted on its stock book discharge the personal representatives of the deceased stockholder from all liability for the unpaid part of his subscription and accept that of the person to whom the stock may be transferred. This company shall not extend or lend its credit to, or purchase the stock or securities of, or otherwise aid any person or corporation, unless such person or corporation shall, as a condition thereof, execute and deliver to this company an undertaking, in such form and with such securities, if any, as the Board of Directors may require, which undertaking shall in substance provide that such person or corpora-

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tion shall, in the event of the death of a subscriber to the stock of this company, and the personal representative of such subscriber shall elect to have the estate relieved from further liability on the subscription and within twenty (20) days from his appointment give written notice of such election to the secretary of this company, furnish a purchaser satisfactory to the Board of Directors of this company who shall purchase the stock and subscription rights of the deceased subscriber by assuming liability for the amount unpaid on such subscription.

ARTICLE VIII.

The company shall have the power to purchase its own stock.

ARTICLE IX.

Articles may be amended by resolution setting forth such amendment or amendments adopted at any meeting of the stockholders by a vote of at least two-thirds of all stock of said corporation then outstanding.

ARTICLE X.

The duration of this corporation shall be five years.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this------day of---------- A. D. 1915.

Signed in Presence of

----------(SEAL)

----------(SEAL)

----------(SEAL)

----------(SEAL)

State of Wisconsin, }
Dane County, } ss.

Personally came before me this----------day of----------A. D. 1915, the above named

---

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to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin.

My commission expires ----------

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By-Laws

ARTICLE I.

BUSINESS OFFICES.

Sec. 1. The principal office and place of business of the Madison Industrial Development Company shall be the office of the Board of Commerce of the City of Madison, in Madison, Dane County, Wisconsin.

ARTICLE II.

MEETING OF STOCKHOLDERS.

Sec. 1. There shall be an annual meeting of the stockholders on the Second Wednesday of January each year at the office of the company in the city of Madison, and ten days' notice of such meeting shall be given by the Secretary by mail directed to each stockholder as shown by the records of the corporation.

Sec. 2. Special meetings of the stockholders may be called by the president, and he shall call a special meeting at the request of three directors. Notice of such special meetings shall be given by the Secretary by mail ten days prior thereto, which notice shall specify the objects of such meetings.

ARTICLE III.

VOTES.

Sec. 1. At any meeting of the stockholders each share of stock shall be entitled to one vote which may be given by the stockholder in person, or in case of his absence by written proxy; but no stock held by the corporation shall be voted.

ARTICLE IV.

DIRECTORS.

Sec. 1. There shall be nine directors, three of whom shall be elected for one year, three for two years and three for three years, and thereafter three directors shall be elected each year for the term of three years.

Sec. 2. In case of a vacancy in the Board of Directors, the same shall be filled by the remaining directors.

Sec. 3. The Board of Directors shall cause the officers of this company to make a full report of their several activities and to prepare and submit such report to the stockholders at the annual meeting.

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Sec. 4. No person shall be a director who is not the owner of at least one share of the capital stock of this corporation.

Sec. 5. No director or officer shall receive any salary or compensation for his services as such.

Sec. 6. Regular meetings of the Board of Directors shall be held on the first and third Wednesdays of each month at the offices of the company at such hour as said directors may designate.

Sec. 7. Special meetings of the Board of Directors may be called by the president or any two of the directors, to be held in the office of the company. Notice of such special meetings shall be given by the secretary, or the directors calling the same, at least twenty-four hours prior thereto by mail or personally, said notice to specify the purposes of the meeting. All special meetings of the directors though held without previous notice to be valid if all directors are present and consent to the holding thereof.

ARTICLE V.

ELECTION OF OFFICERS.

Sec. 1. The Board of Directors shall immediately after organization elect a president, vice-president, secretary and treasurer.

ARTICLE VI.

DUTIES OF OFFICERS.

Sec. 1. It shall be the duty of the president to preside at all meetings of the stockholders and Board of Directors; to sign all certificates of stock of the company; to sign all instruments or indorsements of the company and to do and perform all other acts incidental to the office and as prescribed by the articles of incorporation.

Sec. 2. It shall be the duty of the vice-president to perform all functions which belong to the president in the absence or disability of the latter.

Sec. 3. The secretary shall, in a proper book provided for that purpose, keep a record of the proceedings and mettings of the stockholders and directors, and shall attend to the giving and serving of all notices required by the company, and perform such other duties as are prescribed by the articles of incorporation or may be designated by the directors.

Sec. 4. It shall be the duty of the treasurer to have the care and custody of all funds of the company and perform such other acts as are incidental to his office and prescribed by the articles of incorporation or as may be designated by

the directors. To give such reports as the Board of Directors may require, and if required by the Board of Directors to give bond for the faithful performance of his duties in accounting for all the funds of this company. He shall deposit all moneys belonging to this company in its name in such bank or banks as may be designated by the directors, and shall render a statement of his cash account at each regular meeting of the directors and stockholders, and shall at all times exhibit his books and accounts during business hours to any director or stockholder.

ARTICLE VII.

CERTIFICATE OF STOCK.

Sec. 1. Certificates shall be numbered and registered in the order they are issued and shall be signed by the president and secretary and the seal of the company shall be imprinted on each certificate.

Sec. 2. All certificates shall be bound in a book and shall be issued in order therefrom, and on the margin thereof opposite each certificate shall be entered the name, place of residence or business of the person owning the shares therein represented, and each certificate shall be receipted for in the margin of the certificate book.

ARTICLE VIII.

SEAL.

Sec. 1. A suitable seal shall be provided by the Board of Directors and shall be under the charge of the secretary, and an imprint thereof appears in the margin opposite this article.

ARTICLE IX.

GENERAL PROVISIONS.

Sec. 1. All applications to this company for assistance shall be referred to the Board of Directors. No such assistance shall be given until the concern making such application shall have been thoroughly investigated by the Industrial Committee of the Madison Board of Commerce, and the report of the Board of Commerce shall have been submitted to this company in writing, nor until the Board of Directors of this company shall have made an independent investigation and shall report in writing its findings and recommendations. The officers of the company shall follow the recommendations and instructions embodied in said report of the Board of Directors and in no case shall said officers indorse paper,

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buy securities or otherwise extend aid except in accordance with the directions of the Board.

Sec. 2. No assistance shall be extended to any concern until as a condition precedent it shall: (a) Assume in writing the fulfillment of the terms and conditions of Article VII of the Articles of Incorporation; (b) if a corporation, elect as a member of its Board of Directors a member of this company to be selected by the Board of this corporation and pledge its good faith that during the period such aid is extended the assisted corporation will annually elect on its Board of Directors such member of this corporation as may be so designated; (c) agree to permit and to pay the expenses of all audits thereof ordered by the Board of Directors; (d) pay such reasonable brokerage or commission (not less than two (2) per cent of the amount of aid or credit extended, paper indorsed or guaranteed, or stocks or securities purchased) as the directors in their discretion shall require.

Sec. 3. The directors shall make and file a semi-annual report during the first week in January and July (the January report to be made prior to the annual stockholders' meeting) giving a detailed account of all business of every character transacted during the preceding six months, which said report shall be filed with the secretary of this company and a duplicate thereof in the office of the secretary of the Madison Board of Commerce, and said report shall be open to inspection at any time to members of this company or any bank furnishing credit to the Company.

Sec. 4. The officers are empowered, when authorized by the Board of Directors, to waive notice, demand and protest and to make any other kind of indorsement ordinarily recognized and used by banks or brokers who discount, buy or handle commercial paper; and when so authorized by the Board they may indorse commercial paper (secured by collateral, if possible) for such industrial concerns and to such extent as may be authorized by the Board; and when and as authorized by the Board they may purchase the preferred stock or the bonds of said concern using the cash funds of this company for the purpose, and may negotiate loans upon the credit of this company when necessary or convenient to secure funds for the purchase of such preferred stock and bonds.

Sec. 5. The officers shall promptly report in writing every indorsement, guarantee and every other act affecting the liability, assets or credit of this company to the secretary of this company and to the secretary of the Madison Board of

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Commerce. Such report shall state the date and amount of paper indorsed, guaranteed or executed by them, with the name of the payee and payor, date of maturity, rate of interest, and if secured, the nature, character and value of the security. They shall also report in detail to said secretaries the purchase of any bonds, stocks or commercial paper in industrial concerns, giving minute descriptions thereof, and such report shall be open to inspection at any time by members of this company and any bank furnishing credit to it. When any commercial paper indorsed, guaranteed or discounted by said officers is paid, or when any bonds, stock or commercial paper are redeemed or sold, said officers shall promptly file with said secretaries a report showing when and by whom the same was paid.

Sec. 6. Subscribers to stock of this company shall pay in cash the first twenty-five (25) per cent of their several subscriptions as follows: Five (5) per cent on ten days' call after the Articles of Incorporation shall have been duly filed in the office of the Register of Deeds for Dane County; ten (10) per cent thirty days after the first payment, and ten (10) per cent thirty days after the second payment. The remaining seventy-five (75) per cent of said subscriptions shall be payable as herein provided in such proportions and at such times as shall be called by the Board of Directors, and shall be due ten days after such call. The cash realized from all stock subscriptions (after deducting incorporation and organization expenses from the first payment) shall be known as the "Cash Fund," and shall be used,—(a) to purchase such securities of the concern to be aided as the directors may determine; (b) to defray any losses which may be sustained as a result of any indorsement, guarantee, loan or investment; (c) to purchase sites for or otherwise directly aid proposed industrial enterprises. Unemployed cash on hand belonging to the fund shall be deposited in some Madison bank or banks and interest bearing certificates of deposit taken therefor, or, when so directed by the Board, shall be invested in readily convertible interest-bearing securities. If and as the cash fund shall become depleted by its employment for the purposes above specified the directors may call such further payments on stock subscriptions as shall, so far as practicable, keep this cash fund equal to its original amount; but no call shall be made upon any stock which is fully paid.

Sec. 7. Whenever the Board of Directors shall decide to aid any industrial concern by buying bonds, stock or commercial paper, the Board may

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in lieu of using the cash fund borrow the amount required for such purchase on the note or notes of this company and it may sell and dispose of any securities acquired on such terms as it shall deem proper. The proceeds of any such sale shall be returned to the cash fund. At no time shall the total amount of outstanding obligations of this company exceed seventy-five (75) per cent of its total stock subscribed. The sum of the credit extended, paper indorsed, stocks or securities purchased, and other aid extended to any one industrial enterprise or concern, shall not exceed one-fifth of the total stock of this company then subscribed for, and shall in no event ever be more than Forty Thousand Dollars.

Sec. 8. As often as the directors deem desirable, they shall, if practicable, cause the books of every industry in which this company has any investment, or has extended or lent its credit, to be audited by a competent auditor for the information and advice of said directors and members of this company, which audit shall be kept on file in the office of this company and of the secretary of the Madison Board of Commerce.

Sec. 9. Brokerage or commission fees collected pursuant to Section 2 of Article IX shall constitute a separate fund and shall be applied toward the operating expenses of the company, and any surplus above such operating expenses may be transferred to and become a part of the cash fund until the capital stock shall have been fully paid, and thereafter such surplus may be disbursed as dividends.

Sec. 10. If any stockholder shall die before his stock is fully paid, this company may by agreement to be noted on its stock book discharge the personal representatives of the deceased stockholder from all liability for the unpaid part of his subscription and accept that of the person to whom the stock may be transferred. This company shall not extend or lend its credit to, or purchase the stock or securities of, or otherwise aid any person or corporation, unless such person or corporation shall, as a condition thereof, execute and deliver to this company an undertaking, in such form and with such securities, if any, as the Board of Directors may require, which undertaking shall in substance provide that such person or corporation shall, in the event of the death of a subscriber to the stock of this company, and the personal representative of such subscriber shall elect to have the estate relieved from further liability on the subscription and within twenty (20) days from his appointment give written notice of such election to the secretary of this company, furnish a pur-

chaser satisfactory to the board of directors of this company who shall purchase the stock and subscription rights of the deceased subscriber by assuming liability for the amount unpaid on such subscription. The officers and directors of this company will lend friendly assistance in procuring a purchaser to assume the unpaid subscription of the deceased member on the terms above specified.

Sec. 11. The officers and directors of this company shall incur no obligation, except renewals, that shall not mature during the life of this company and all renewals must mature within three years thereafter. When the duration of this company shall have expired all unsettled business shall be closed up and liquidated by the directors as expeditiously and as economically as may be consistent with good judgment and discretion, and the Board shall distribute the proceeds of its property and assets among its creditors and stockholders in the manner and within the time provided by law.

Sec. 12. Should this company be compelled to take up and pay any commercial or collateral paper indorsed or executed by its officers in its behalf said officers shall use all endeavors to collect the amount due thereon from the maker or makers or prior indorsers thereof, and all sums so collected shall become a part of the cash fund.

ARTICLE X.

Sec. 1. These by-laws may be amended, altered or enlarged by a majority vote of the stockholders at any regular meeting thereof, or at a special meeting duly called for that purpose.

Stock Subscription

Subscription to the Capital Stock of the Madison Industrial Development Company of Madison, Wisconsin.

We, the undersigned, hereby mutually agree, each with the others, and with the corporation hereinafter mentioned, severally and not jointly, to take the number of shares set opposite our respective signatures hereto of the capital stock of a corporation to be organized under the laws of the State of Wisconsin, under the name of the Madison Industrial Development Company, or other appropriate name, the business and purposes of said corporation to be to improve, extend and place upon a safe and more permanent foundation the manufacturing interests of said city, and to locate, build, encourage and establish

manufactories and manufacturing establishments in and adjacent thereto. To that end the said corporation shall have power,—(a) to indorse or otherwise give credit to and to aid in discounting or selling the commercial paper, bonds, debentures or securities of such industrial concerns now located or which may hereafter locate in or adjacent to said city, as the said corporation under its by-laws and rules shall decide to assist financially in the establishment or operation of industrial plants; (b) to loan money to such industrial concerns on security, or otherwise, upon such terms as may be arranged, and to acquire and deal in the personal property thereof, particularly mortgages, debentures, securities, corporate stock, bonds and commercial paper; (c) to subscribe, purchase or otherwise acquire and hold shares of stock, debentures, securities or other interests in any such assisted business enterprises, including corporations, and while such owner to exercise all rights, powers and privileges of such ownership; (d) to examine by experts, or otherwise, the physical and financial condition of any business or reorganized business ventures assisted or in contemplation of assistance by making examinations into the accounts, prospects, physical and financial condition thereof, and to systematize and direct or give directions for the systematizing and managing of any assisted business; (e) to take part in the management, supervision or control of any business or operations of any assisted company, firm or corporation and for that purpose to appoint and remunerate directors or other representatives; (f) to acquire, hold and dispose of real and personal property; (g) to guarantee the bonds, commercial paper, contracts or other obligations of any industrial concern in which this corporation has an interest or is financially assisting; and (h) generally to aid in any lawful manner such industries, and to do all legal acts and things designed for the preservation, protection, improvement, development or enhancement of the value thereof, or of its stock, bonds, securities, commercial paper, contracts or other obligations; said assistance to be given and extended upon such terms as the Board of Directors may determine and in pursuance of the by-laws; such corporation to have an authorized capital stock of not less than One Hundred Thousand Dollars ($100,000.00), divided into shares of the par value of One Hundred Dollars ($100.00) each.

We do further severally agree to pay the first twenty-five (25) per cent of our several subscriptions as follows: Five (5) per cent on ten days' call after the Articles of Incorporation shall have

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been duly filed in the office of the Register of Deeds for Dane County; ten (10) per cent thirty days after the first payment; ten (10) per cent thirty days after the second payment; the remaining seventy-five (75) per cent shall be paid in such installments from time to time as shall be determined by the Board of Directors and in accordance with the by-laws.

Subscriptions hereto made shall be deemed to be accepted by said corporation immediately upon the filing and recording of the certificate of incorporation thereof in the manner prescribed by law. It is understood and agreed that the certificate of incorporation of such corporation may be signed by any three or more of the subscribers hereto, and that such certificate may contain such provisions not inconsistent herewith as shall be deemed advisable by such incorporators.

IT IS FURTHER UNDERSTOOD AND AGREED that the subscriptions hereby made shall not be binding until the subscription shall amount in the aggregate to One Hundred Thousand Dollars ($100,000.00).

Separate copies of this agreement may be signed with the same force and effect as though all the signatures were appended to one original instrument.

Signature	Address	Number of Shares

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